

May 21, 2002

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENT NO. 1 TO LEASE NO. 71822
DEPARTMENT OF PUBLIC SOCIAL SERVICES
145 NORTH VISTA AVENUE, PASADENA
(FIFTH) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chairman to sign the attached Amendment No. 1 to Lease No. 71822 with John Lloyd, dba Pacific Investors, Ltd., (Lessor) for a two-year extension of the lease term for office space and ten structured parking spaces for the Department of Public Social Services (DPSS), In-Home Supportive Services (IHSS), at an initial annual maximum cost of \$69,120. Costs are 92 percent funded by State and Federal subvention.
2. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board and Section 15062 (b) (3) of the State CEQA Guidelines.
3. Approve the project and authorize the Chief Administrative Officer (CAO) and DPSS to implement the project. The lease amendment will be effective upon adoption by the Board of Supervisors.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended action will allow DPSS and the 33-member IHSS staff, who work primarily in the field, to continue to provide uninterrupted services to eligible participants in the target area comprising Altadena, Pasadena, South Pasadena, Arcadia, Temple City, and El Sereno. The space will provide temporary housing until this program is relocated and consolidated with other programs at 3330 Aerojet Avenue, El Monte.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we invest in public infrastructure in order to strengthen the County's fiscal capacity. The lease of property supports this strategy by complying with the Strategic Asset Management Principles (Goal 4, Strategy 2, Objective 2). In this case we are maximizing subvention by housing the program in leased space as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The maximum annual cost is \$69,120. There are no tenant improvement or other costs provided in the amendment or the underlying lease.

145 North Vista Ave., Pasadena	Existing Lease	Proposed Lease Amendment	Change
Area	3,600 rentable sq. ft.	3,600 rentable sq. ft.	None
Term	3 years	2 years	Additional 2 years
Annual Base Rent	\$66,033 (\$18.34/sq. ft.)	\$69,120 (\$19.20/sq. ft.)	\$3,087
TI Allowance Included in Base Rent	None	None	None
Maximum Additional TI Allowance	None	None	None
Maximum Annual Rent	\$66,033 (\$18.34/sq. ft.)	\$69,120 (\$19.20/sq. ft.)	\$3,087
Option to Renew	None	None	None
Cancellation	Anytime after 18 months upon 120 days notice	Anytime after 12 months upon 120 days notice	(-6 months)
Parking (Included in Base Rent)	10 structured spaces	10 structured spaces	None
Rental Adjustment	Annual CPI 3%-4%	Annual CPI 3%-4%	None

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Sufficient funding for the proposed amendment is included in the 2001-02 Rent Expense Budget and will be charged back to DPSS. Sufficient funding is available in the 2001-02 DPSS Budget to cover the projected lease costs.

The cost associated with the proposed amendment will be 92 percent funded by State and Federal subvention.

The monthly base rent is subject to a minimum annual Consumer Price Index adjustment of three percent and a maximum of four percent pursuant to the underlying lease.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

IHSS provides an alternative to out-of-home care such as nursing homes or board and care facilities. The program provides payment assistance for in-home services to eligible participants including persons age 65 or older, persons who are legally blind or disabled and disabled children.

The proposed two-year lease amendment provides approximately 3,600 rentable square feet of office space and ten structured parking spaces. The amendment contains the following provisions:

- A monthly rent of \$5,760 or \$1.60 per square foot per month.
- A right to cancel by the County anytime after 12 months of the lease term upon 120 days prior written notice.
- The underlying lease is full service with the Lessor responsible for all operating and maintenance costs and provides ten structured parking spaces included in the rental rate which is sufficient to meet the parking needs of staff.
- The Lessor will provide minor alterations and maintenance within 30 days of adoption by your Board.
- All other terms and conditions of the lease shall remain in full force and effect.

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CAO Real Estate staff surveyed the Pasadena-Arcadia area in proximity to the program specified by DPSS to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Attachment B shows all County-owned and leased facilities within the search area for this program, and there are no County-owned or leased facilities available for these programs.

Based upon a survey of similar properties in the specified area, staff has determined that the base rental range, including parking, is between \$19.20 and \$22.20 per rentable square foot. Thus, the base annual rental rate of \$19.20 provided in the proposed lease amendment represents the low end of the range of market rates.

The Department of Public Works has considered the facility and found it suitable for temporary County occupancy under a lease pending relocation to 3330 Aerojet Avenue, El Monte.

The need for an on-site child care facility was considered; however, the proposed building has no remaining available space to house a child care center. Child care is planned at the new Aerojet facility.

NEGATIVE DECLARATION / ENVIRONMENTAL IMPACT REPORT

This Department has made an initial study of environmental factors and has concluded that this project is exempt from CEQA as specified in Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15061 (b)(3) of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is the finding of the CAO that the proposed amendment is in the best interest of the County and will adequately provide the necessary space for this County requirement. In accordance with your Board's policy on the housing of any County offices or activities, DPSS concurs with this recommendation.

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CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed amendment and the adopted, stamped Board letter, and two certified copies of the Minute Order to the Chief Administrative Office, Real Estate Division at 222 South Hill Street, 4th floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:SNY
CWW:MM:hd

Attachments (5)

c: County Counsel
Auditor-Controller
Department of Public Social Services

**Department of Public Social Services
In-Home Supportive Services
145 North Vista Avenue, Pasadena
Asset Management Principles Compliance Form¹**

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²			<u>X</u>
	B	Does lease co-locate with other functions to better serve clients? ² Term extension pending relocation to 3330 Aerojet Avenue, El Monte.		<u>X</u>	
	C	Does this lease centralize business support functions? ²			<u>X</u>
	D	Does this lease meeting the guideline of 200 sf of space per person? ² Term extension pending relocation to 3330 Aerojet Avenue, El Monte.		<u>X</u>	
2.	<u>Capital</u>				
	A	Should program be in leased space to maximize State/Federal funding?	<u>X</u>		
	B	If not, is this a long term County program?			<u>X</u>
	C	Is it a net County cost (NCC) program? 8.00%		<u>X</u>	
	D	If yes to 2 B or C; capital lease or operating lease with an option?			<u>X</u>
	E	If no, are there any suitable County-owned facilities available?		<u>X</u>	
	F	If yes, why is lease being recommended over occupancy in County-owned space?			<u>X</u>
	G	Is Building Description Report attached as Attachment B?	<u>X</u>		
	H	Was build-to-suit or capital project considered? This program will be relocated to the new facility at 3330 Aerojet Avenue, El Monte upon completion.		<u>X</u>	
3.	<u>Portfolio Management</u>				
	A	Did department utilize CAO Space Request Evaluation (SRE)?	<u>X</u>		
	B	Was the space need justified?	<u>X</u>		
	C	If a renewal lease, was co-location with other County departments considered?		<u>X</u>	
	D	Why was this program not co-located? 3330 Aerojet Avenue will provide an opportunity for co-location and is due for completion in 2003.			<u>X</u>
		1. ___ The program clientele requires a "stand alone" facility.			
		2. <u>X</u> No suitable County occupied properties in project area.			
		3. <u>X</u> No County-owned facilities available for the project.			
		4. ___ Could not get City clearance or approval.			
	5. ___ The Program is being co-located.				
	E	Is lease a full service lease? ²	<u>X</u>		
	F	Has growth projection been considered in space request? Temporary space pending relocation to 3330 Aerojet Avenue, El Monte.		<u>X</u>	
	G	Has the Dept. of Public Works completed seismic review/approval?	<u>X</u>		
	¹ As approved by the Board of Supervisors 11/17/98				
	² If not, why not?				

**Department of Public Social Services
In-Home Supportive Services
145 North Vista Avenue, Pasadena**

Space Search: Pasadena-Arcadia within 3 miles of 145 North Vista Avenue, Pasadena

LACO	FACILITY NAME	ADDRESS	SQ. FT. GROSS	SQ. FT. NET	OWNERSHIP	SQ. FT. AVAILABLE
Y429	PW-SAN GABRIEL VALLEY DISTRICT OFFICE	125 S BALDWIN AVE, ARCADIA 91006	6570	4874	OWNED	NONE
A353	DCSS-PASADENA ADULT PROTECTIVE SERVICES	1370 E WALNUT ST, PASADENA 91101	1600	1440	LEASED	NONE
A043	DA-JUVENILE/BD OF SUPERVISOR-THE WALNUT PLAZA	215 N MARENGO AVE, PASADENA 91101-1505	3350	2684	LEASED	NONE
A215	ALT PUBLIC DEFENDER-PASADENA OFFICE	221 E WALNUT ST, PASADENA 91101	3200	2960	LEASED	NONE
5397	PASADENA COURTHOUSE	300 E WALNUT ST, PASADENA 91101	685914	314565	FINANCED	NONE
A426	DC&FS-REGION V PASADENA SERVICES OFFICE	532 E COLORADO BLVD, PASADENA 91101	75235	70721	LEASED	NONE
D465	DPSS-PASADENA AP DISTRICT OFFICE	955 N LAKE AVE, PASADENA 91104	37342	25372	LEASED	NONE